



COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

SCC722.12-LLC
(04/08)

GUIDE FOR ARTICLES OF ENTITY CONVERSION
(Virginia stock corporation converting to a Virginia limited liability company)

ARTICLES OF ENTITY CONVERSION OF
(name of corporation)

The undersigned, on behalf of the corporation set forth below, pursuant to Title 13.1, Chapter 9, Article 12.2 of the Code of Virginia, states as follows:

1. The name of the corporation immediately prior to the filing of these articles of entity conversion is (name of the corporation as set forth on the Commission's records). The corporation shall convert to a Virginia limited liability company and its name shall be (name of resulting limited liability company).
2. The plan of entity conversion, pursuant to § 13.1-722.10 of the Code of Virginia, is set forth as follows:
 - A. The full text of the articles of organization of the resulting limited liability company as they will be in effect immediately after consummation of the conversion is attached hereto.
 - B. *(Set forth the terms and conditions of the plan of entity conversion, including the manner and basis by which the outstanding shares of the corporation will be converted into interests of the resulting limited liability company. See Instructions.)*
 - C. *(Set forth any additional provisions that are included in the plan of entity conversion.)*
3. *(State how the plan was adopted by the shareholders of the corporation using A or B, below, whichever is applicable.)*
 - A. The plan of entity conversion was adopted by the unanimous consent of the shareholders. **OR**
 - B. The plan of entity conversion was adopted by the board of directors and submitted to the shareholders in accordance with the provisions of Chapter 9 of Title 13.1 of the Code of Virginia, and:

- (1) The designation, number of outstanding shares, and number of votes entitled to be cast by each voting group entitled to vote separately on the plan of entity conversion were:

Designation	Number of outstanding shares	Number of votes
_____	_____	_____
_____	_____	_____

- (2) The total number of:

- (a) Votes cast for and against the plan by each voting group entitled to vote separately on the plan was:

Voting group	Total votes FOR	Total votes AGAINST
_____	_____	_____
_____	_____	_____

OR

- (b) Undisputed votes cast for the plan separately by each voting group was:

Voting group	Total undisputed votes FOR
_____	_____
_____	_____

- (3) And the number cast for the plan by each voting group was sufficient for approval by that voting group.

Executed in the name of the corporation by:

_____ <i>(signature)</i>	_____ <i>(date)</i>
_____ <i>(printed name)</i>	_____ <i>(title)</i>
_____ <i>(corporation's SCC ID no.)</i>	_____ <i>(telephone number (optional))</i>

PRIVACY ADVISORY: Information such as social security number, date of birth, maiden name, or financial institution account numbers is NOT required to be included in business entity documents filed with the Office of the Clerk of the Commission. Any information provided on these documents is subject to public viewing.

THIS FORM IS TO BE USED AS A GUIDE ONLY.
SEE INSTRUCTIONS ON THE REVERSE

INSTRUCTIONS TO FORM SCC722.12-LLC

Guideform SCC722.12-LLC has been produced by the Commission as a guide to help you prepare the corporation's articles of entity conversion. Please note, however, that a marked-up version of this guideform will not be accepted. You must separately type and prepare your articles, using this form as a guide, inserting appropriate information and omitting all inapplicable portions, including the header, seal of the Commission, italicized text, and the text of options not utilized.

The articles must be in the English language, typewritten or printed in black on white, opaque paper 8 1/2" by 11" in size, legible and reproducible, and free of visible watermarks and background logos. A minimum of 1" must be provided on the left, top and bottom margins and 1/2" on the right margin. Use only one side of a page.

You can download this form from our website at www.scc.virginia.gov/clk/formfee.aspx.

The articles of organization of the resulting limited liability company, which comply with the requirements of Chapter 12 of Title 13.1 of the Code of Virginia, must be attached to the articles of entity conversion. Form LLC-1011 contains the minimum number of provisions required by Virginia law to be set forth in the articles of organization of a Virginia limited liability company. You may download the form from our website at www.scc.virginia.gov/division/clk/fee_bus.htm.

The name of the resulting limited liability company must satisfy the requirements of § 13.1-1012 of the Code of Virginia. The limited liability company name must contain the words "limited company" or "limited liability company" or the abbreviation "LC", "L.C.", "LLC" or "L.L.C.". The proposed limited liability company name must be distinguishable upon the records of the Commission. See § 13.1-1012 of the Code of Virginia. To check the availability of a limited liability company name, please contact the Clerk's Office Call Center at (804) 371-9733 or toll-free in Virginia at (866) 722-2551.

The plan of entity conversion must set forth the manner and basis of converting the outstanding shares of the corporation's stock into interests in the resulting limited liability company. This is often expressed as a ratio, as it allows one to determine the membership interests each shareholder will receive when the corporation becomes a limited liability company. The conversion ratio can be determined by dividing 100% by the number of issued and outstanding shares. For example, if 500 shares of common stock are issued and outstanding, the plan could provide that "Each outstanding share of common stock will be converted into a 0.2% membership interest in the resulting limited liability company." However, if one person holds all of the outstanding shares, it would be sufficient to state that the shares held by the sole shareholder will be converted into a 100% membership interest in the resulting limited liability company. **IMPORTANT:** The manner and basis of converting the shares of the corporation into interests in the resulting limited liability company must preserve the ownership proportion and the relative rights, preferences, and limitations of each share. See § 13.1-722.10 of the Code of Virginia.

The plan of entity conversion must be adopted by the board of directors and approved by each voting group of shareholders entitled to vote on the plan by more than two-thirds of all the votes entitled to be cast by that voting group, unless the board of directors requires a greater vote or the articles of incorporation provide for a greater or lesser vote. See § 13.1-722.11 of the Code of Virginia.

The articles of entity conversion must be executed in the name of the corporation by the chairman or any vice-chairman of the board of directors, the president, or any other of its officers authorized to act on behalf of the corporation.

It is a Class 1 misdemeanor for any person to sign a document he or she knows is false in any material respect with intent that the document be delivered to the Commission for filing. See § 13.1-612 of the Code of Virginia.

These articles may not be filed with the Commission until all fees and penalties to be collected by the Commission under the Virginia Stock Corporation Act have been paid by or on behalf of the corporation; provided, however, that an assessed annual registration fee does not have to be paid prior to filing if these articles are **filed** with an effective date that is on or before the due date of the annual registration fee payment. See § 13.1-615 of the Code of Virginia.

Submit the original, signed articles of entity conversion and articles of organization to the Clerk of the State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218-1197, (Street address: 1300 East Main Street, Tyler Building, 1st Floor, Richmond, Virginia 23219), along with a check for the filing fee in the amount of **\$100.00**, payable to the State Corporation Commission. **PLEASE DO NOT SEND CASH.** If you have any questions, please call (804) 371-9733 or toll-free in Virginia, (866) 722-2551.